

Major Moves Help Desk

Office of Governor Mitch Daniels

In Case you Missed It...

Columbus Republic Lease of toll road will pave way for improvements

By Johannah Pollert

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Rarely can you find a deal as good as the one the state wants to enter into with Cintra-Macquarie, a Spanish-Australian consortium.

The company is ready to give us \$3.85 billion in cash to lease the Indiana Toll Road and \$4.4 billion for road improvements. Once the state puts that \$3.85 billion in the bank, the interest is estimated at \$800 million. Whereas if we continued to operate it as we do now, which is a pathetic excuse for toll road management, we would only make \$7.5 billion over the next 75 years and we must still pay to upgrade and operate it.

Some people actually don't want to do this. Unbelievable.

Chicago Mayor Richard Daley leased the Chicago Skyway to Cintra-Macquarie for \$1.83 billion a year ago and doesn't have a single regret. He has used the money to ease homelessness and provide heating assistance.

Indiana will be flush with even more cash and will be able to do even more.

The money will erase the state transportation department's \$2.8 billion budget deficit.

For the first time in four years, cities throughout the entire state will receive money for road projects such as widening National Road. Columbus has needed this improvement for 10 years. A wider National Road will bring more business to the companies along the thoroughfare.

The money also will allow Indiana to start building Interstate 69 by 2008 and will be finished by 2018. If we don't approve the lease, it won't get started until 2017.

Initially, the road construction projects will bring more jobs to the state than workers have seen in a long time. Once Interstate 69 is built, more businesses will pop up in southwestern Indiana needing Hoosier employees. With I-69 in place, Indiana is more likely to retain Crane Naval Base.

Indiana has the potential to be a national leader in transportation and logistics. It's in the perfect location with roads leading in every direction except one. That's why it needs I-69 and Cintra-Macquarie.

Once the state signs the lease, it won't have to worry about upkeep, since Cintra-Macquarie will spend \$4.4 billion to improve the road, including pothole maintenance.

nance.

That money will allow the state to increase the number of Indiana State Police troopers along the toll road from 45 to 70 and build a new ISP post. That means a safer Indiana.

Critics complain that Gov. Mitch Daniels shouldn't let a foreign company run Indiana's roads, but if it has the best bid, no matter where it's from, it should be given the lease. Indiana's companies need to learn to become more competitive in today's global market. Obviously, Cintra-Macquarie has.

Daniels knew what he was doing when he designed the Major Moves program. He's running this state like a business, which is exactly what it needs. Digging this impoverished state out of its budget deficit is a requisite for Daniels, so he can use some of its revenue to improve schools, housing and health care. As it is right now, Indiana will continue to slide downhill, never achieving the possibilities its citizens deserve.

By approving the highway bill in the Senate, the state will be one step closer to improving its residents' lives.

Did you Know?

In addition to the lump sum payment of \$3.85 billion in rent for the Indiana Toll Road, Statewide Mobility Partners (SMP) will pay billions of dollars in state income and sales tax over the next 75 years.

The State of Indiana does not pay income and sales tax.

Stat of the Day:

According to the lease agreement, SMP can raise tolls on Indiana Toll Road the greater of 2%, increase in the Consumer Price Index (CPI), or increase in per capita Gross Domestic Product (GDP).

Since 1995, the average increases were:

Per Capita GDP: 3.4%
CPI: 2.3%

Answers to Recent Questions about Major Moves

A Republican State Lawmaker recently asked the Governor's Office "Why the rush to enact Major Moves?" The State of Indiana has been exploring a public-private partnership concerning the Indiana Toll Road since September 2005. As soon as Statewide Mobility Partners (SMP) offered Indiana \$3.85 billion to lease the Toll Road, at least five other states including Ohio and Illinois, immediately started exploring lease options as well. There is a limited amount of capital available for these types of transactions. If Indiana delays accepting this offer, that money will be invested in other states.

This lawmaker also asked whether SMP could build hotels and other businesses on the Toll Road? No. SMP will not be able to change the types of businesses located in the Service Plazas on the Toll Road without the State's approval. State law also prohibits the construction of a hotel/motel on the Indiana Toll Road and this legislation does not alter that statute.

Find out more about Major Moves:

www.majormoves.in.gov